

"all others" rate from the LTFV investigation. *See Final Determination of Sales at Less Than Fair Value: Certain Corrosion-Resistant Carbon Steel Flat Products from Australia.* (58 FR 37079, July 9, 1993).

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 353.26 to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and this notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and 19 CFR 353.22.

Dated: August 8, 1995.

**Susan G. Esserman,**

*Assistant Secretary for Import Administration.*

[FR Doc. 95-20302 Filed 8-5-95; 8:45 am]

BILLING CODE 3510-DS-M

[A-122-820 (Lead Case Number) A-122-822 A-122-823]

**Certain Corrosion-Resistant Carbon Steel Flat Products and Certain Cut-to-Length Carbon Steel Plate From Canada; Preliminary Results of Antidumping Duty Administrative Review**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of preliminary results of antidumping duty administrative review.

**SUMMARY:** In response to requests by respondents, Algoma Steel Inc. (Algoma), Continuous Colour Coat (CCC), Dofasco, Inc. (Dofasco), Manitoba Rolling Mills (MRM), Sorevco, Inc. (Sorevco), Stelco Inc. (Stelco), the Department of Commerce (the Department) is conducting the first administrative review of the antidumping duty orders on *Certain Corrosion-Resistant Carbon Steel Flat Products* (corrosion-resistant steel) (A-122-822) and *Certain Cut-to-Length Carbon Steel Plate* (A-122-823) (cut-to-length plate) from Canada. These reviews cover five manufacturers/exporters, Algoma, CCC, Dofasco, MRM, Sorevco, and Stelco, and entries of corrosion-resistant steel and cut-to-length plate into the United States

during the period of review (POR) February 4, 1993, through July 31, 1994.

We have preliminarily determined that sales have been made below the foreign market value (FMV). If these preliminary results are adopted in our final results of administrative reviews, we will instruct U.S. Customs to assess antidumping duties equal to the difference between the United States price (USP) and the FMV.

Interested parties are invited to comment on these preliminary results.

**EFFECTIVE DATE:** August 16, 1995.

**FOR FURTHER INFORMATION CONTACT:** John Drury (CCC), Eric Johnson (Dofasco/Sorevco), Elizabeth Patience (Algoma), Gerry Zapiain (Stelco), Steven Presing or Stephen Jacques, Office of Agreements Compliance, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-3793.

**SUPPLEMENTARY INFORMATION:**

**Applicable Statute and Regulations**

Unless otherwise indicated, all citations to the statute and to the Department's regulations are references to the provisions as they existed on December 31, 1994.

**Background**

On July 9, 1993, the Department published in the **Federal Register** (58 FR 37099) the final affirmative antidumping duty determination on corrosion-resistant steel and cut-to-length plate from Canada, for which we published antidumping duty orders on August 19, 1993 (58 FR 44162). On August 3, 1994, the Department published the notice of "Opportunity to Request an Administrative Review" of these orders for the period February 4, 1993, through July 31, 1994 (59 FR 39543). The respondents, Algoma, CCC, Dofasco, MRM, Sorevco, and Stelco, requested administrative reviews. We initiated the reviews on September 8, 1994 (59 FR 46391). The Department is conducting these reviews in accordance with section 751 of the Tariff Act of 1930, as amended (the Tariff Act).

In the underlying investigations of less-than-fair-value (LTFV) sales, the Department conducted an analysis of Sorevco's relationship with Dofasco to determine whether the relationship between the related parties is such that one company is in a position to manipulate the other company's prices and/or production decisions (*See Brass Sheet and Strip from France*, 52 Fed. Reg. 812, 814 (January 9, 1987); *Certain Iron Construction Castings from*

*Canada*, 55 Fed. Reg. 460 (January 5, 1990)). The Department's investigation revealed that, for the period of investigation, Sorevco should be "collapsed" with Dofasco. On October 31, 1994, the U.S.-Canada Binational Panel upheld the Department's decision to collapse Sorevco with Dofasco for the investigation. In the matter of: *Certain Corrosion-Resistant Carbon Steel Flat Products, USA-93-1904-03*.

The Department considered whether Sorevco should remain collapsed with Dofasco for the purposes of this administrative review.

It is the Department's practice to collapse related parties when the facts demonstrate that the relationship is such that there is a strong possibility of manipulation of prices and production decisions that would result in circumvention of the antidumping law. *See Nihon Cement Co., Ltd. v. United States*, Slip Op. 93-80 (CIT May 25, 1993); *Certain Iron Construction Castings from Canada*, 55 Fed. Reg. 460 (1990); *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from the Federal Republic of Germany*, 54 Fed. Reg. 18992, 19089 (1989). In determining whether to collapse related parties, the Department considered the level of common ownership; whether managerial employees or board members of one company sit on the board(s) of directors of the other related party(ies); the existence of production facilities for similar or identical products that would not require retooling either plant's facilities to implement a decision to restructure either company's manufacturing priorities; and whether the operations of the companies are intertwined (e.g., sharing of sales information; involvement in production and pricing decisions, sharing of facilities or employees; transactions between the companies).

Although the Department considers all four factors, no one factor is determinative. Rather the determination whether to collapse is based on the totality of circumstances. *See Nihon Cement Co., Ltd. v. United States*, Slip Op. 93-80 at 51.

An analysis of the above-mentioned criteria as they relate to Dofasco and Sorevco for the current period of review revealed that collapsing of Dofasco and Sorevco is warranted. The two companies' close business relationship, Dofasco's 50 percent ownership of Sorevco and continuing presence on Sorevco's board, and the existence of similar production facilities demonstrates a strong possibility of future manipulation of production and

pricing decisions (See Memorandum to the File dated May 30, 1995).

During the Department's investigation of sales at less than fair value of steel from Canada, the Department also collapsed CCC and Stelco. However, the U.S.-Canada Binational Panel concluded that there was not substantial evidence on the record supporting the Department's decision to collapse the two companies, and directed the Department to "uncollapse" CCC and Stelco in preparing the Department's redetermination. See USA-93-1904-03, *supra*.

In a submission dated January 19, 1995, in conjunction with the first administrative review, petitioners again raised the issue of collapsing Stelco and CCC. Specifically, petitioners outlined available evidence in support of collapsing and requested that the Department collect more data and examine the issue in greater detail. As a result, the Department has undertaken a detailed analysis of the relationship between CCC and Stelco. Based on our analysis, we determined that CCC and Stelco are "related parties", but that CCC and Stelco should not be collapsed because the two companies do not make comparable products such that a shift in production could be accomplished without fundamental and expensive retooling. (See Memorandum to the File dated May 22, 1995).

#### Scope of the Review

The products covered by these administrative reviews constitute two separate "classes or kinds" of merchandise: (1) Certain corrosion-resistant steel and (2) certain cut-to-length plate.

The first class or kind includes flat-rolled carbon steel products, of rectangular shape, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating, in coils (whether or not in successively superimposed layers) and of a width of 0.5 inch or greater, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width of 0.5 inch or greater and which measures at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the Harmonized Tariff Schedule (HTS) under item numbers 7210.31.0000, 7210.39.0000, 7210.41.0000, 7210.49.0030, 7210.49.0090,

7210.60.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.1000, 7210.90.6000, 7210.90.9000, 7212.21.0000, 7212.29.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7212.60.0000, 7215.90.1000, 7215.90.5000, 7217.12.1000, 7217.13.1000, 7217.19.1000, 7217.19.5000, 7217.22.5000, 7217.23.5000, 7217.29.1000, 7217.29.5000, 7217.32.5000, 7217.33.5000, 7217.39.1000, and 7217.39.5000. Included are flat-rolled products of nonrectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been worked after rolling)—for example, products which have been bevelled or rounded at the edges. Excluded are flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead ("terne plate"), or both chromium and chromium oxides ("tin-free steel"), whether or not painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating. Also excluded are clad products in straight lengths of 0.1875 inch or more in composite thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness. Also excluded are certain clad stainless flat-rolled products, which are three-layered corrosion-resistant carbon steel flat-rolled products less than 4.75 millimeters in composite thickness that consist of a carbon steel flat-rolled product clad on both sides with stainless steel in a 20%-60%-20% ratio. These HTS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

The second class or kind, certain cut-to-length plate, includes hot-rolled carbon steel universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 millimeters but not exceeding 1,250 millimeters and of a thickness of not less than 4 millimeters, not in coils and without patterns in relief), of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain hot-rolled carbon steel flat-rolled products in straight lengths, of rectangular shape, hot rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances,

4.75 millimeters or more in thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the HTS under item numbers 7208.31.0000, 7208.32.0000, 7208.33.1000, 7208.33.5000, 7208.41.0000, 7208.42.0000, 7208.43.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.11.0000, 7211.12.0000, 7211.21.0000, 7211.22.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000. Included are flat-rolled products of nonrectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been worked after rolling)—for example, products which have been bevelled or rounded at the edges. Excluded is grade X-70 plate. These HTS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

The POR is February 4, 1993, through July 31, 1994.

#### United States Price

The Department used purchase price, in accordance with section 772(b) of the Act, when the subject merchandise was sold to unrelated purchasers in the United States. For Stelco, where certain corrosion-resistant sales to the first unrelated purchaser took place after importation into the United States, we also based USP on exporters sales price (ESP), in accordance with section 772(c) of the Act.

We adjusted USP for value-added taxes (VAT) in accordance with our practice as outlined in various determinations, including *Silicomanganese from Venezuela, Final Determination of Sales at Less Than Fair Value*, 59 FR 55435, 55439 (November 7, 1994).

#### Algoma

The Department used purchase price, as defined in section 772(b) of the Tariff Act, in calculating USP for Algoma. USP was based on packed prices to customers in the United States. For terms of sale, please see Analysis Memorandum to the File, June 16, 1995.

We made deductions from purchase price for movement expenses, U.S. Customs duties and fees, U.S. brokerage/handling fees, U.S. inland freight expense. We added to purchase price amounts for freight revenue, brokerage and duty revenue and billing adjustments.

We used as date of sale the date of contract (if there was one that set quantity and value) or, if there was no

such contract, the order date on which price and quantity were fixed.

#### CCC

The Department used purchase price as defined in section 772(b) of the Tariff Act, in calculating USP for CCC. USP was based on packed, FOB or delivered prices to customers in the United States.

We made deductions from purchase price for movement expenses (U.S. and foreign movement, brokerage, and handling), and discounts and rebates. We used the date of invoice as the date of sale for both U.S. sales and home market sales because that is the date when price and quantity are fixed.

CCC was unable to report duty and brokerage paid for certain U.S. sales. As partial best information available (BIA) we used the highest duty rate calculation submitted by CCC to calculate duty and brokerage rates for the missing values. *See, e.g., Certain Steel Products from France*, 58 FR 37125, 37129 (July 9, 1993).

#### Dofasco/Sorevco

The Department used purchase price, as defined in section 772(b) of the Tariff Act, in calculating USP for Dofasco. USP was based on packed prices to customers in the United States. As in the LTFV investigation, the Department used Dofasco's five reported levels of trade in which, according to Dofasco, pricing structure differs according to customer type: automotive, construction, service center, manufacturing, and converter.

We made deductions from purchase price for two types of discounts, one type of rebate and total freight (for one term of sale). U.S. further processing expenses for certain sales are not treated as part of the purchase price for the reasons set forth in the memorandum from Edward Yang to Roland MacDonald.

For Dofasco's sales of secondary merchandise, the Department determined at verification that only six of the eleven product characteristics were reported accurately: type, process, coating metal, thickness, width, and form. Thus, the Department performed its model match for these sales based only on these six characteristics. For a general discussion of the Department's treatment of secondary merchandise in this review, see the Department's April 19, 1995 decision memorandum.

For Dofasco, we used the date of order acknowledgement as date of sale for all sales made after July 4, 1993 (except sales made pursuant to long-term contracts) because this was the time at which price and quantity were fixed. Prior to July 4, 1993, we used date of

shipment as date of sale because: (1) Order acknowledgements did not set price; and (2) Dofasco informed its customers that "invoices will reflect prices at time of shipment." For Dofasco's sales made pursuant to long-term contracts, we used date of the contract as date of sale because the contract terms fixed price and quantity.

For Sorevco, we used the date of order confirmation as the date of sale because Sorevco acknowledges both price and quantity on its order acknowledgement. When Sorevco shipped more merchandise than the customer ordered, and such shipments were in excess of accepted industry tolerances, we used date of shipment as date of sale for the excess merchandise.

#### MRM

The Department used purchase price, as defined in section 772(b) of the Tariff Act, in calculating USP for MRM. USP was based on packed, delivered prices to customers in the United States.

We made deductions from purchase price for brokerage and handling, movement expenses, U.S. duties and discounts.

We used the date of shipment as the date of sale for both U.S. sales and home market sales because that is the date when price and quantity were fixed.

#### Stelco

The Department used purchase price, as defined in section 772(b) of the Tariff Act, in calculating USP for Stelco for cut-to-length plate. USP was based on packed, delivered prices to customers in the United States.

We made deductions from purchase price for movement expenses, brokerage and U.S. duties.

In calculating USP for sales of corrosion-resistant steel, the Department used purchase price, as defined in section 772(b) of the Act. USP was based on packed, delivered prices to customers in the United States.

We made deductions from purchase price for movement expenses, brokerage, U.S. duties and discounts and rebates.

The Department also used ESP, as defined in section 772(c) of the Act, in calculating USP for Stelco for corrosion-resistant steel. USP was based on packed, delivered prices to customers in the United States.

We made deductions from ESP for movement expenses (U.S. and foreign movement expenses, brokerage and handling); discounts and rebates; U.S. direct selling expenses such as warranties and service, billing corrections, other expenses (slitting and sheeting); credit expenses; U.S. indirect

selling expenses such as technical services, inventory carrying costs, warehousing expenses, and bad debt; and commissions incurred in the U.S. market.

In addition, we made further deductions from ESP, where appropriate, for all value added to the "corrosion-resistant" steel in the United States, pursuant to section 772(e)(3) of the Act. The value added consists of the costs associated with the production of the further manufactured products, other than the costs associated with the imported "corrosion-resistant" steel, and a proportional amount of any profit related to the further manufacture. Profit was calculated by deducting all applicable expenses from the sales price. The total profit was then allocated proportionally to all components of cost. Only the profit attributable to the value added was deducted from ESP. Because Stelco USA contracts the further manufacturing, and its function is primarily that of a sales office, the company does not provide selling, general and administrative (SG&A) expenses directly attributed to further manufacturing. In place of allocating certain SG&A expenses to further manufacturing calculation, we have made an adjustment to the ESP sales listing to account for SG&A expenses.

#### Foreign Market Value

In calculating FMV, the Department used home market sales or constructed value (CV), as defined in section 773 of the Act.

To determine whether there was sufficient volume of sales in the home market to serve as the basis for calculating FMV, we compared the volume of home market sales to the volume of third country sales, in accordance with section 773(a)(1) of the Tariff Act. We found that sales in the home market constituted a sufficient basis for FMV, in accordance with 19 CFR 353.48(a).

Algoma, Dofasco, MRM and Stelco made home market sales to related customers. In order to determine whether sales to related parties might be appropriate to use as the basis of FMV, the Department compared prices of those sales to prices to unrelated parties, on a model-by-model basis. When possible, the Department used unrelated party sales at the same level of trade as the related party sales for this comparison.

In accordance with 19 CFR 353.58 and 353.55, we compared U.S. sales to home market sales made at the same level of trade, and in comparable commercial quantities, where possible.

Based on a review of the respondents' submissions, the Department determined that the respondents did not have to report any downstream sales through related parties since either there were no sales to related parties that are resold to unrelated customers as subject merchandise or sales to related parties that are resold to unrelated parties are a small percentage of home market sales.

The Department is treating certain product groups, which included certain grades of non-prime material or secondary merchandise, as non-prime material for purposes of matching U.S. and home market sales.

Based on the Department's previous determination of sales made at below the cost of production (COP) in the original LTFV investigation in accordance with section 773(b) of the Tariff Act, we determined that there were reasonable grounds to believe or suspect that, for this review period, Stelco and CCC had made sales of subject merchandise in the home market at prices less than the COP. As a result, we investigated whether Stelco and CCC sold such or similar merchandise in the home market at prices below the COP. In accordance with 19 CFR 353.51(c), we calculated COP for Stelco and CCC as the sum of reported materials, labor, factory overhead, and general expenses. We compared COP to home market prices, net of price adjustments, discounts, and movement expenses.

Based on petitioners' allegations, and in accordance with section 773(b) of the Act, the Department initiated an investigation to determine whether Dofasco and Sorevco had home market sales of corrosion-resistant steel and whether Algoma and MRM had home market sales of cut-to-length plate that were made at prices less than the COP.

In accordance with section 773(b) of the Tariff Act, in determining whether to disregard home market sales made at prices below the COP, we examined whether such sales were made in substantial quantities over an extended period of time, and whether such sales were made at prices which permitted recovery of all costs within a reasonable period of time in the normal course of trade.

In accordance with our normal practice, for each model for which less than 10 percent, by quantity, of the home market sales during the POR were made at prices below COP, we included all sales of that model in the computation of FMV. For each model for which 10 percent or more, but less than 90 percent, of the home market sales during the POR were priced below COP, we excluded those sales priced

below COP, provided that they were made over an extended period of time. For each model for which 90 percent or more of the home market sales during the POR were priced below COP and were made over an extended period of time, we disregarded all sales of that model in our calculation and, in accordance with section 773(b) of the Tariff Act, we used the CV of those models, as described below. See, e.g., *Mechanical Transfer Presses from Japan, Final Results of Antidumping Duty Administrative Review*, 59 FR 9958 (March 2, 1994).

In accordance with section 773(b)(1) of the Tariff Act, to determine whether sales below cost had been made over an extended period of time, we compared the number of months in which sales below cost had occurred for a particular model to the number of months in which the model was sold. If the model was sold in fewer than three months, we did not disregard below-cost sales unless there were below-cost sales of that model in each month sold. If a model was sold in three or more months, we did not disregard below-cost sales unless there were sales below cost in at least three of the months in which the model was sold. We used CV as the basis for FMV when an insufficient number of home market sales were made at prices above COP. See, e.g., *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan; Final Results of Antidumping Duty Administrative Review*, 58 FR 64720, 64729 (Dec. 8, 1993).

We also used CV as FMV for those U.S. sales for which there were insufficient sales of the comparison home market model at or above COP and for those U.S. sales for which there was no contemporaneous sale of such or similar merchandise in the home market. We calculated CV in accordance with section 773(e) of the Tariff Act. We included the cost of materials, labor, and factory overhead in our calculations. Where the general expenses were less than the statutory minimum of 10 percent of the cost of manufacture (COM), we calculated general expenses as 10 percent of the COM. Where the actual profits were less than the statutory minimum of eight percent of the COM plus general expenses, we calculated profit as eight percent of the sum of COM plus general expenses.

We adjusted FMV for value-added taxes (VAT) in accordance with our practice as outlined in various

determinations, including *Silicomanganese from Venezuela, Final Determination of Sales at Less Than Fair Value*, 59 FR 55435, 55439 (November 7, 1994).

#### Algoma

In accordance with section 773 of the Tariff Act, for those U.S. models for which we were able to find a home-market such-or-similar match, we calculated FMV based on the packed, FOB or delivered prices to related and unrelated purchasers in the home market. We used prices to related purchasers only if such prices were made at arm's length. We made adjustments, where applicable, for inland freight, home market packing costs, discounts and rebates, home market direct selling expenses such as credit and warranty expenses. We made circumstance-of-sale adjustments for differences in physical characteristics. For comparison to purchase price sales, pursuant to section 773 of the Tariff Act, we made circumstance-of-sale adjustments to FMV for commissions incurred in the U.S. market, U.S. credit, warranty. We also adjusted FMV for packing expenses.

#### CCC

In accordance with section 773 of the Tariff Act, for those U.S. models for which we were able to find a home market such or similar match, we calculated FMV based on the packed, FOB or delivered prices to related and unrelated purchasers in the home market. We used prices to related purchasers only if such prices were made at arm's length. We made adjustments, where applicable, for inland freight, home market packing costs, discounts and rebates, direct selling expenses (warranties and credit), and packing expenses. We made circumstance-of-sale adjustments to FMV for differences in physical characteristics. For comparison to purchase price sales, pursuant to section 773 of the Tariff Act, we made circumstance-of-sale adjustments to FMV for U.S. direct selling expenses such as warranties, warehousing, credit, and commissions which were paid in the U.S. market. We also adjusted FMV for U.S. packing expenses. When comparisons were made to PP sales on which commissions were paid, we made an adjustment for home market indirect selling expenses to offset U.S. commissions. U.S. sales of merchandise that was further processed in the United States were matched to home market sales of merchandise identical or similar to the subject merchandise as it entered the United States. In such cases, we

adjusted FMV to account for the further processing in the United States.

#### *Dofasco/Sorevco*

In accordance with section 773 of the Tariff Act, for those U.S. models for which we were able to find a home market such or similar match and for which there were sufficient above-cost sales, we calculated FMV based on packed prices to customers. We made adjustments, where applicable, for Sorevco rebates, one customer-specific Dofasco rebate, four types of discounts, warranties, royalty payments for one product type, warehousing, imputed home market credit expenses, home market packing expenses and certain rebates which we reclassified as post sale price adjustments. Additionally, for one term of sale we deducted inland freight. As in the LTFV investigation, the Department used Dofasco's five reported levels of trade in which, according to Dofasco, pricing structure differs according to customer type: automotive, construction, service center, manufacturing, and converter.

We also made circumstance-of-sale adjustments, where appropriate, for imputed U.S. credit expenses, U.S. warranty expenses, foreign warehousing expenses for U.S. sales and U.S. royalty expenses (for one product type). We also adjusted for U.S. duty and brokerage (where applicable), U.S. packing expenses, differences in merchandise (when less than 20%) for similar products, and U.S. commissions. When comparisons were made to purchase price sales on which commissions were paid, we made an adjustment for home market indirect selling expenses to offset U.S. commissions.

For Dofasco's sales of secondary merchandise, the Department determined at verification that only six of the eleven product characteristics were reported accurately: type, process, coating metal, thickness, width, and form. Thus, the Department performed its model match for these sales based only on these six characteristics. For a general discussion of the Department's treatment of secondary merchandise in this review, see the Department's April 19, 1995 decision memorandum.

#### *MRM*

In accordance with section 773 of the Tariff Act, for those U.S. models for which we were able to find a home market such or similar match that had sufficient above-cost sales, we calculated FMV based on the packed, FOB or delivered prices to related and unrelated purchasers in the home market. We used prices to related purchasers only if such prices were

made at arm's length. We made deductions, where applicable, for inland freight, rebates, home market direct selling expenses such as credit expenses and commissions incurred in the home market. We also adjusted FMV for differences in physical characteristics. For comparison to purchase price sales, pursuant to section 773 of the Tariff Act, we made circumstance-of-sale adjustments to FMV for commissions incurred in the U.S. market, and U.S. credit expenses.

#### *Stelco*

In accordance with section 773 of the Tariff Act, for those U.S. models for which we were able to find a home market such or similar match that had sufficient above-cost sales, we calculated FMV based on packed, delivered or ex-factory prices to related and unrelated purchasers in the home market. We used prices to related purchasers only if such prices were made at arm's length. For Stelco's sales of cut-to-length plate, we made adjustments, where applicable, for inland freight, discounts and rebates, packing expenses, home market direct selling expenses such as credit expenses and warranty expenses. We also adjusted FMV for differences in physical characteristics. For comparison to purchase price sales, pursuant to section 773 of the Tariff Act, we made circumstance-of-sale adjustments to FMV for U.S. warranty expenses and U.S. credit expenses. We also adjusted FMV for U.S. packing expenses.

For Stelco's sales of corrosion-resistant steel, in accordance with section 773 of the Tariff Act, for those U.S. models for which we were able to find a home market such or similar match, we calculated FMV based on the packed, delivered or ex-factory prices to related and unrelated purchasers in the home market. We used prices to related purchasers only if such prices were made at arm's length. We made adjustments, where applicable, for inland freight, discounts and rebates, packing expenses, home market direct selling expenses such as credit expenses and warranty expenses, home market indirect selling expenses such as technical services, inventory carrying costs, warehousing expenses and commissions incurred in the home market. We also adjusted FMV for differences in physical characteristics. For comparison to purchase price sales, pursuant to section 773 of the Tariff Act, we made for circumstance-of-sale adjustments for U.S. warranty expenses, U.S. credit expenses and U.S. sales commissions. We also adjusted FMV for U.S. packing expenses.

For Stelco's ESP sales of corrosion-resistant steel, pursuant to section 773(a)(4)(B) of the Act and 19 CFR 353.56(a)(2) we made adjustments, where applicable, for inland freight, discounts and rebates, packing expenses, home market direct selling expenses such as credit expenses and warranty expenses, home market indirect selling expenses such as technical services, inventory carrying costs, warehousing expenses, and commissions. We also adjusted FMV for differences in physical characteristics. For comparison to ESP sales, we made circumstance-of-sale adjustments for home market indirect selling expenses, including, home market technical services, inventory carrying costs and presale warehousing expenses up to the amount of indirect selling expenses and commissions incurred on U.S. sales. We also adjusted FMV for U.S. packing expenses.

In addition, we made further deductions from ESP, where appropriate, for all value added to the corrosion-resistant steel in the United States, pursuant to section 772(e)(3) of the Act.

#### **Preliminary Results of Review**

As a result of our comparisons of USP and FMV, we preliminarily determine that the following margins exist for the period February 4, 1993, through July 31, 1994:

Manufacturer/Exporter	Margin (percent)
Corrosion-Resistant Steel:	
Dofasco, Inc. ....	3.87
Continuous Colour Coat .....	1.88
Stelco, Inc. ....	13.95
Cut-to-Length Plate:	
Algoma Steel Inc. ....	2.61
Manitoba Rolling Mills .....	2.44
Stelco, Inc. ....	0.39

Interested parties may request disclosure within 5 days of the date of publication of this notice and may request a hearing within 10 days of publication. Any hearing, if requested, will be held 44 days after the date of publication, or the first business day thereafter. Case briefs and/or written comments from interested parties may be submitted no later than 30 days after the date of publication date. Rebuttal briefs and rebuttals to written comments, limited to issues raised in those comments, may be filed not later than 37 days after the date of publication of this notice. The Department will publish the final results of these administrative reviews including the results of its analysis of

issues raised in any such written comments or at a hearing.

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. Individual differences between the USP and the FMV may vary from the percentages stated above.

Furthermore, the following deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of these administrative reviews, as provided by section 751(a)(1) of the Tariff Act. A cash deposit of estimated antidumping duties shall be required on shipments of corrosion-resistant steel and cut-to-length plate from Canada as follows: (1) The cash deposit rates for the reviewed companies shall be those rates established in the final results of this review; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in these reviews or the original LTFV investigations, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in these reviews, the cash deposit rate will be the "all others" rate from the LTFV investigations. *See Final Determination of Sales at Less Than Fair Value: Certain Corrosion-Resistant Carbon Steel Flat Products, and Certain Cut-to-Length Carbon Steel Plate from Canada*, 58 FR 37099, 37121 (July 9, 1993).

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 353.26 to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement will result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and 19 CFR 353.22.

Dated: August 8, 1995.

**Susan G. Esserman,**  
Assistant Secretary for Import  
Administration.

[FR Doc. 95-20210 Filed 8-15-95; 8:45 am]

BILLING CODE 3510-DS-P

[A-570-803]

**Heavy Forged Hand Tools, Finished or Unfinished, With or Without Handles, From the People's Republic of China; Preliminary Results and Termination in Part of Antidumping Duty Administrative Reviews**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of preliminary results and termination in part of antidumping duty administrative reviews.

**SUMMARY:** In response to requests by two resellers of the subject merchandise, the Department of Commerce (the Department) is conducting administrative reviews of the antidumping duty orders on heavy forged hand tools, finished or unfinished, with or without handles, (HFHTs) from the People's Republic of China (PRC). The reviews cover two exporters of subject merchandise to the United States and the period February 1, 1993, through January 31, 1994. The reviews indicate the existence of dumping margins during the period of review.

We have preliminarily determined that sales have been made below the foreign market value (FMV). If these preliminary results are adopted in our final results of administrative reviews, we will instruct U.S. Customs to assess antidumping duties equal to the difference between United States price (U.S. price) and FMV.

Interested parties are invited to comment on these preliminary results.

**EFFECTIVE DATE:** August 16, 1995.

**FOR FURTHER INFORMATION CONTACT:** Karin Price or Maureen Flannery, Office of Antidumping Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington D.C. 20230; telephone: (202) 482-4733.

**SUPPLEMENTARY INFORMATION:**

**Background**

On February 19, 1991, the Department published in the **Federal Register** (56 FR 6622) the antidumping duty orders on HFHTs from the PRC. On February 4, 1994, the Department published in the **Federal Register** (59 FR 5390) a notice of opportunity to request administrative reviews of these antidumping duty orders. On February 28, 1994, in accordance with 19 CFR 353.22(a), two resellers of the subject merchandise to the United States, Fujian Machinery & Equipment Import & Export Corporation (FMEC) and

Shandong Machinery Import & Export Corporation (SMC), requested that we conduct administrative reviews of their exports of subject merchandise to the United States. We published the notice of initiation of these antidumping duty administrative reviews on March 14, 1994 (59 FR 11768). The notice of initiation was amended on June 15, 1994 (59 FR 30770) and July 15, 1994 (59 FR 36160). The Department is conducting these administrative reviews in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

**Termination of Review in Part**

On June 10, 1994, FMEC withdrew its request for a review of the order on picks and mattocks (picks/mattocks), and SMC withdrew its request for a review of the order on axes, adzes and other similar hewing tools (axes/adzes). Given the early stage of review at the time of FMEC's and SMC's withdrawal requests, we informed FMEC that it did not need to respond to the questionnaire with respect to picks/mattocks, and we informed SMC that it did not need to respond to the questionnaire with regard to axes/adzes. *See File Memorandum from Karin Price*, dated July 5, 1994, "Telephone conversation regarding the withdrawal requests of respondents in the third administrative reviews of heavy forged hand tools, finished or unfinished, with or without handles, from the People's Republic of China," which is on file in the Central Records Unit (room B-099 of the Main Commerce Building). We hereby are terminating the review of the order on picks/mattocks with respect to FMEC and the review of the order on axes/adzes with respect to SMC, in accordance with 19 CFR 353.22(a)(5).

**Scope of These Reviews**

Imports covered by these reviews are shipments of HFHTs from the PRC comprising the following classes or kinds of merchandise: (1) hammers and sledges with heads over 1.5 kg. (3.33 pounds) (hammers/sledges); (2) bars over 18 inches in length, track tools and wedges (bars and wedges); (3) picks/mattocks; and (4) axes/adzes.

HFHTs include heads for drilling, hammers, sledges, axes, mauls, picks, and mattocks, which may or may not be painted, which may or may not be finished, or which may or may not be imported with handles; assorted bar products and track tools including wrecking bars, digging bars and tampers; and steel woodsplitting wedges. HFHTs are manufactured through a hot forge operation in which steel is sheared to required length, heated to forging temperature and